

Oh, I know that the Republicans have another bill that addresses this issue—but why not include it in the right context—welfare reform?

Yes, I have read the Personal Responsibility Act, and I find it wanting.

I hope that the entire House, on both sides of the aisle, will consider the plight of the welfare mother, and the welfare father as well, not as a pest that is to be eradicated, but as a symptom of our failure to provide the hand up that will enable them to get that job and raise their children in dignity and safety.

□ 1530

The SPEAKER pro tempore (Mr. LINDER). Under a previous order of the House, the gentleman from Pennsylvania [Mr. CLINGER] is recognized for 5 minutes.

[Mr. CLINGER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

INVESTMENT IN PUBLIC INFRASTRUCTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, next week the House will most likely take up the balanced budget amendment to the Constitution. This is not an argument for or against the balanced budget amendment. I have supported versions of it in the past. It is an argument, though, an appeal that this House consider the role of investment in many of the economic decisions that it must make in the upcoming months, investment particularly in our public infrastructure. Because many have said that they feel that there needs to be a balanced budget amendment to the Constitution because the Federal Government ought to have to balance its budget like families do. That is a fair analogy. Families do balance their budgets. But we also know that families borrow because there are certain things that they know they need and they consider capital investment.

We all, most of us at least, borrow to buy or build a home. Very few of us can afford to lay out in one year what it costs for this kind of investment. So we figure into our monthly budgets at home how much we have to take out in debt service, in that mortgage payment. That is reflected in our family budget.

We usually borrow for a car. Very few of us, particularly with today's prices, can afford a car, to pay for it cash on the barrel head.

We borrow for probably the most important investment that a family will make, and that is the family's children's education. We know that that is the ticket to success for families in this country. And so American families borrow for that. So there is borrowing that occurs for the mortgage, for the car, for the college education. We know that we get into trouble if we borrow

for consumption, to borrow to go to the grocery store, borrow to buy the toys, borrow to go to a game, for instance, borrow for leisure or recreation. So what families do is they put together their family budget with their basic expenses and then they put together as well in that budget the debt service to, against the debt service to cover the cost that they have to borrow for long-term capital expenditures.

I wish the Federal budget did that. It does not. What the Federal budget does instead is to not recognize that one dollar is not the same as another dollar. The Federal budget does not make a difference between the dollars spent for infrastructure for a road or bridge and the dollars spent in immediate consumption. And so what I have urged, and many others, last year, the gentleman from Pennsylvania [Mr. CLINGER] and I cosponsored a bill that would permit capital budgeting for physical infrastructure for the Federal Government.

My hope is that in the discussion of the balanced budget amendment and in the discussion of the various economic moves, economic policies that this country will adopt, in the discussion of budget policy, that we recognize this key role in investment. The fact of the matter is that this country has seen a decline in public infrastructure investment and correspondingly has seen a decline or a flat line at least in productivity increases.

A chart I saw yesterday was quite illustrative. Of the seven major industrial nations in this world, the United States trailed in productivity gains over the past decade and yet also trailed in investment in our public infrastructure as a percentage of gross domestic product.

In other words, the more a country has put into their public infrastructure, their roads, their bridges and so on, the more they gained in productivity increase, almost direct correlation.

It makes sense, but it also is being borne out now by statistics. And so that this is a necessary factor.

Some argue you do not need a capital budget for the Federal Government because physical construction, roads and bridges and so on, is such a small part of the budget. That is a self-fulfilling prophecy. It is that because we have made it that way. And one reason is because our accounting system does not reward investment.

Mr. Speaker, I yield to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Speaker, would the gentleman agree, for those of us who have served in State legislatures, who have served on county councils, who have dealt with budgets at the local level and the State level, that members of county councils, boards of supervisors, State legislators are used to dealing with a capital budget and an operating budget.

Mr. WISE. I thank the gentleman for making the point. He is absolutely correct. In my understanding, every State

has a form of capital budget, every county, every State and local government, of course, as well as every business.

Mr. ABERCROMBIE. Would the gentleman further agree, for the enlightenment of those who may be listening in or observing our proceedings and trying to very sincerely take into account the implications of the balanced budget, that in their own local districts, in their own local areas, that over the years, whether through revenue-sharing programs or grant programs, demonstration programs.

Mr. WISE. I think I agree, but our time is up.

Mr. ABERCROMBIE. Thank you very much.

ON MEXICO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, good relations with Mexico are essential for this Nation. Mexico now faces a crisis, a financial crisis. We are being asked by the administration to authorize a \$40 billion loan guarantee in order to cover the run which has occurred on the peso.

Mr. Speaker, I would like to include the column by Paul Gigot that appeared in last Friday's Wall Street Journal: "On Mexico, U.S. Firemen Play With Matches." I think it outlines what has happened in the administration's thinking over the last several weeks, and I think it is essential to the facts of this case.

[From the Wall Street Journal, Jan. 13, 1995]

ON MEXICO, U.S. FIREMEN PLAY WITH MATCHES

Maybe President Clinton is lucky that Washington is transfixed by Newt Gingrich. It means no one's noticed how his administration has botched the biggest foreign crisis of his presidency.

That crisis is in Mexico, which only last year he could tout as a foreign-policy success. Nafta has been his singular triumph, at home or abroad. Now the collapse of the peso has tarnished even that good news, with wider fallout than anything that's happened in Somalia, Bosnia or even Boris Yeltsin's tumultuous Russia.

This week Mr. Clinton roused himself from his Tony Robbins tapes to assert that he is "committed to doing what we can to help Mexico." This, plus a promise of more U.S. cash, helped to calm financial markets through yesterday, though only after two more days of market carnage in Latin America.

We can hope the worst is over, but the peso remains some 35% below where it was before its December devaluation. In human terms, this means that what used to be a dollar of Mexican purchasing power now buys only 65 cents; expect more Mexican sons and daughters to arrive in San Diego soon.

In political terms, Mexico's crash has begun an ebb tide in global confidence, threatening other currencies, raising doubts about stability in Mexico and inviting Nafta-bashers to stage a comeback. It has also cost American mutual-fund holders billions of dollars. All in just three weeks.